

If the employee is qualified, the HPA will enroll the children, return the completed Part B to the employer, child support agency and both parents, and sends forms and information to the custodial parent.

What must the employer do once the children are enrolled?

The employer will determine whether the combined cost of health care coverage, child support and spousal support is within the limits on withholding. A worksheet is provided for this purpose. If the amount is within the legal limits, the employer will begin withholding the contribution from the employee's wages. If the combined amount exceeds the limit, the employer will complete Section 4 of Part A and return Part A and the completed worksheet to the child support agency.

How soon must both parts of the notice be completed?

Within 20 business days of the date of the NMSN, the employer must complete Part A of the form and either forward Part B to the Health Plan Administrator or return Part A to the child support agency.

Within 40 business days of the date of the NMSN

- 1) the HPA must complete and return Part B to the employer and to the child support agency; and
- 2) the employer must complete the worksheet and either begin withholding or, if the amount exceeds the limits, return Part A and the worksheet to the child support agency.

See the previous page for details on completing the forms.

Where can I get more information?

Call CSSD's Employer Hotline at (907) 269-6089

Toll free in Alaska (877) 269-6685

Send your questions by fax to (907) 787-3197.

Write to us at: State of Alaska, Department of Revenue
Child Support Services Division
550 W 7th Ave Suite 310
Anchorage AK 99501-6699
Attn: Employer Assistance

Our Internet web site includes updates, news and employer instructions, as well as the email and fax numbers for Alaska child support employees. Go to:

www.childsupport.alaska.gov/Employers/Employer_Information.asp

CSSD 04-6601 (06/21/04)



alaska employers guide

.....

CHILD support & MEDICAL support

WHY?

The most effective way of collecting child support is through wage withholding. But it doesn't mean your employees did anything wrong — it just means they have children who need their support.

It's not about bad debts

Let's start by clearing up a long-standing myth: There's nothing wrong with an employee who pays child support through wage withholding.

Wage withholding orders are required on all new or modified child support orders – even if the parent has never missed a payment. Back in 1984, when wage withholding for child support first started, the orders were used only on delinquent cases. Congress changed the law in 1990 to cover all cases because wage withholding is the best way to collect money for children.

It's about children

Wage withholding is not meant to punish the employee – it's to collect the money children need for housing, food, school supplies, clothes and health care. The child support services program's main job is to make sure support payments are made on time and in full.

There are two kinds of "Notice to Withhold"

You may receive one or both kinds for an employee. The Notice to Withhold for Child Support (Support Notice) requires you to forward the withheld wages to



Are employers and HPA's required to comply?

Yes. Federal law requires all employers and HPA's to make health care coverage available to children of non-custodial parents who are eligible and qualified for such coverage. Federal law also requires use of the NMSN forms and adherence to the timeframes listed in it.

What is included in the NMSN?

Part A of the NMSN includes a Notice to Withhold for Health Care Coverage (Health Care Notice), the Employer's Response form, and Instructions.

Part B includes a Medical Support Notice to the Plan Administrator, the Plan Administrator's Response, and Instructions. A worksheet is also included.

When is the worksheet needed?

The worksheet must be completed when an employee has been determined to be eligible for health care coverage, and qualified to participate in the program. The calculations help the employer determine if the amount to be withheld falls within the maximum allowed under Alaska law.

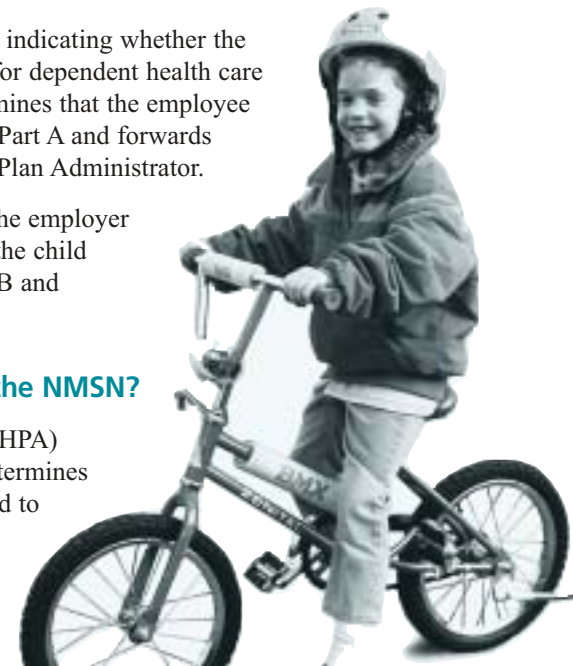
Who completes Part A of the NMSN?

The employer completes Part A, indicating whether the non-custodial parent is eligible for dependent health care coverage. If the employer determines that the employee is eligible, the employer retains Part A and forwards Part B to the company's Health Plan Administrator.

If the employee is not eligible, the employer returns the completed Part A to the child support agency, discarding Part B and the worksheet.

Who completes Part B of the NMSN?

The Health Plan Administrator (HPA) completes Part B. If the HPA determines that the employee is not qualified to participate, the HPA will return the completed Part B to the employer and to the child support agency.



What if the employee objects?

Continue to withhold wages according to the order and tell your employee to challenge the order with the child support agency, not the employer. Until we notify you otherwise, you must withhold wages as ordered.

WHAT NOT TO DO

Can I fire the employee so that I don't have to bother with wage withholding?

No. You could be fined up to \$1,000 if you refuse to hire an applicant or if you discipline or fire an employee because of a Support Notice. You also could be ordered to pay court costs.

What if I ignore the order?

You could be liable for 100% of money that should have been withheld under a Support Notice. You also could be liable for court costs, interest and attorney fees.

HEALTH CARE NOTICES

What about health care coverage?

When health care coverage is required as a part of a child support order, child support agencies will send out a National Medical Support Notice (NMSN). The first page of the NMSN is the Health Care Notice.

What is the National Medical Support Notice?

The National Medical Support Notice (NMSN) is a two-part notice sent to employers from the child support agency. Its purpose is to ensure that children receive health care coverage when it's available and required as part of a child support order, and to simplify the work required of employers and Health Plan Administrators (HPA's) by providing uniform documents for health care coverage.

When is the NMSN sent to Employers?

The NMSN is sent when a new child support order is issued that requires the non-custodial parent to provide health care coverage, when an existing order is modified, or whenever the non-custodial parent with an existing order has a new employer.

child support agency, so they can be sent to the employee's family. The Notice to Withhold for Health Care Coverage (Health Care Notice) requires enrollment of the employee's children in health care coverage if it's available. More information about Health Care Notices begins on page 6.

WHEN?

How will I know?

You'll receive a Notice to Withhold. It may be sent from the Alaska Child Support Services Division (CSSD), or from the child support agency of another state, or from a court or other tribunal.

When must withholding start?

The Notice to Withhold Income for Child Support requires that you start withholding no later than the first pay period following the date you receive the order. The Notice to Withhold for Health Care Coverage requires withholding for the cost of health care as soon as certain determinations about eligibility have been made.

When will it stop?

Both Notices to Withhold remain in effect until you are notified by the child support agency of any changes.

What if the employee terminates?

You must notify the child support agency promptly when the employee leaves and give the employee's last known home address and – if you know it — the new employer's name and address.

Alaska law requires you to keep a record of a Notice to Withhold for three years, and to enforce the Notice if the employee returns to the job within that time.

Can my employee have a copy?

Yes. You may give copies of the Support Notice or Health Care Notice to your employee. The employee will also receive a copy from the child support agency that sent it.



How often are payments due?

The Support Notice requires that you send in the money you withhold from your employee for child support within seven business days of each pay date. If the employee is paid weekly, you must send in the money each week. If your payroll is monthly, you must send in the money once a month.



The Health Care Notice requires that you apply withheld wages to the cost of health care coverage according to your company's usual policy.

Can I charge the employee?

The law allows employers the option of charging employees up to \$5 each time money is withheld from their paycheck.

HOW & HOW MUCH?

What do I do when I get a Notice to Withhold?

When you get a Support Notice, complete the Answers to Inquiries portion and return it to the child support agency within 14 days. Begin withholding at the next pay period, and forward the money to the child support agency. When you get a Health Care Notice proceed as directed in the Notice. For more information on completing the Health Care Notice, see page 6; for timelines, see page 8.

What if I get more than one Support Notice, or more than one Health Care Notice, for the same employee?

Determining the best way to handle multiple orders can be pretty complicated. CSSD staff will be happy to assist you at our Employer Hotline number, or you can refer to our website. See page 8 for listings.

What is the limit to withholding?

In Alaska, the withholding limit for child support (including the employer's optional fee) is generally 40% of net income, or 50% if medical support is required.

Net income is gross wages minus federal income taxes, Social Security, Medicare and other mandatory deductions.

The percent withheld can be increased, up to the maximum allowed by the Federal Consumer Credit Protection Act, if the child support agency finds good cause. The employer should first use the worksheet to calculate the percentage to be withheld. Then, compare that result to the percentage listed on line "i" of the Support Notice. Use the larger percentage.

Do commissions count?

Yes. Alaska law requires that employers withhold for child support and medical support from all earnings. "Earnings" include salaries, wages, commissions, bonuses, dividends, retirement and other compensation.

What information needs to be on the check?

The employee's Social Security number, child support agency member number, and all child support agency case numbers.

Can I combine payments for more than one Support Notice?

Yes. You can send in one check to cover child support for several employees. However, you must list the amount and date withheld for each employee, each employee's Social Security number and child support agency member number, and all child support agency case numbers.

Can I use direct deposit?

Yes. It's optional for employers and it speeds up the process. For information on the electronic fund transfer option, including software requirements, call 269-6750.

